

Wayne Allard

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For Release:
Tuesday, June 10, 2003

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ALLARD INTRODUCES LEGISLATION TO EXTEND & REFINE MEDICARE COST CONTRACT PLANS

Washington, D.C. – U.S. Senator Wayne Allard (R-CO) today introduced the Medicare Cost Contract Extension and Refinement Act of 2003 to extend and reform Medicare cost contract plans, which will expire next year. This extension of cost contracts will preserve quality Medicare coverage for nearly twenty thousand seniors in Colorado and hundreds of thousands of seniors nationwide.

“I am pleased to introduce this bill to ensure our seniors will be able to keep their valued Medicare coverage,” said Allard. “My proposed legislation also would allow better administration, education and protection to patients, providers and insurers,” added Allard.

Currently under Medicare there are three options: basic Medicare, Medicare+Choice (risk HMOs), and cost contracts (HMOs that reimburse at the cost of the care). Cost plans are available in more areas than Medicare+Choice, offer more benefits than basic Medicare, and offer lower out-of-pocket expenses and more benefits than supplemental Medigap, such as preventive care and prescription drug benefits. Under current law, these plans will expire December 14, 2004. This bill would extend contracts ten years and provide reforms. There are 340,000 cost contract beneficiaries nationwide with almost 20,000 of these seniors living in Colorado.

Along with the extension of services this bill refines the program. It would allow beneficiaries to be informed and educated about the option of cost contracts, apply quality assurance requirements, prevent plans from discriminating against certain types of patients by offering lower premiums and prohibit states from taxing cost contract premiums.

The Medicare Cost Contract Extension and Refinement Act also would allow certain plans, called group model health plans, to offer Medicare patients a cost contract plan. This could potentially include allow Kaiser’s 50,000 enrollees to obtain a cost contract health plan. Bipartisan cosponsors to the bill include Senators Wyden, Campbell, Smith, Akaka, Inouye, Coleman, and Hutchison. Senator Allard has requested the Committee on Finance include the bill in its Medicare reform bill, to be debated later this month.